

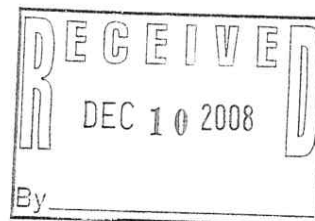
eliminating racism empowering women

ywca

YWCA of Greater Los Angeles
Executive Offices
3345 Wilshire Boulevard, Suite 300
Los Angeles, California 90010-1810

T: 213-365-2991
F: 213-365-9887
www.ywcagla.org

December 4, 2008



Governor's Office of Emergency Services
OES Accounting
3650 Schriever Avenue
Mather, CA 95655

Enclosed is a copy of the 2007-08 Audited OMB Circular A-133 for the YWCA of Greater Los Angeles.

If you have any questions or if we can be of further assistance, please do not hesitate to contact us at (213) 251-1335.

Sincerely,

Elsa Luna,
Chief Financial Officer

Enclosure



**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

REPORTS REQUIRED BY
OMB CIRCULAR A-133

YEAR ENDED JUNE 30, 2008

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES

REPORTS REQUIRED BY OMB CIRCULAR A-133

YEAR ENDED JUNE 30, 2008

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Young Women's Christian Association
of Greater Los Angeles

We have audited the combined financial statements of Young Women's Christian Association of Greater Los Angeles (YWCA) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting. In planning and performing our audit, we considered YWCA's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of YWCA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or others, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of deficiencies, that adversely affects YWCA's ability to initiate, authorize, record, process or summarize financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of YWCA's combined financial statements that is more than inconsequential will not be prevented or detected by YWCA's internal control. We consider the deficiencies described in Section II – Financial Statement Findings as significant deficiencies and to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the combined financial statements will not be prevented or detected by YWCA's internal control.



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To the Board of Directors
Young Women's Christian Association
of Greater Los Angeles

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the deficiencies described as 2008-1 and 2008-2 in the attached schedule of findings and questioned costs do not constitute a material weakness.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether YWCA's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. (Findings 2008-1 and 2008-2 as noted above)

We noted certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions concerning these matters have been reported to the management of YWCA in a separate letter dated October 31, 2008.

YWCA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit YWCA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Green Hasson & Janks LLP

er 31, 2008
geles, California



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Young Women's Christian Association
of Greater Los Angeles

Compliance. We have audited the compliance of Young Women's Christian Association of Greater Los Angeles (YWCA) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. YWCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of YWCA's management. Our responsibility is to express an opinion on YWCA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about YWCA's compliance with those requirements and performing such other auditing procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on YWCA's compliance with those requirements.

In our opinion, YWCA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance. The management of YWCA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered YWCA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA's internal control over compliance.

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To the Board of Directors
Young Women's Christian Association
of Greater Los Angeles

A *control deficiency* in YWCA's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects YWCA's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by YWCA's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by YWCA's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

YWCA's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit YWCA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Green Hasson & Janks LLP

GREEN HASSON & JANKS LLP

October 31, 2008
Los Angeles, California

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

*S/B yes
see pg 2*

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ yes ☒ no

Dollar threshold used to distinguish between Type A and Type B programs: \$645,007 (3% of total federal awards)

Auditee qualified as low-risk auditee? ☐ yes ☒ no

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.259	U.S. Department of Labor: Los Angeles Job Corps Program

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

SECTION II - FINANCIAL STATEMENTS FINDINGS

2008-1: Child Care Program - Family Fees. We noted six instances of noncompliance where the families were charged an incorrect family fee. For example, one instance was noted where a family was charged \$0.80 more per day, while another family was charged \$5.20 less than that stipulated by the family fee schedule. The errors resulted in audit adjustments being recorded to the general ledger, the audited final attendance and the fiscal report for child development programs. We recommend that formal training be implemented for employees at all levels of responsibility relating to the child care program and establish standard procedures to be followed at the various sites. We further recommend that YWCA conduct an internal audit of the assessed family fees on an annual basis. This is to ensure proper evaluation of family fees assessed by the Site Directors and Clerks.

Management Response: To ensure quality assurance, the family fees allocation will be centralized at the Executive office and maintained by a new position, Child Care Department (CCD) Support Coordinator, who is directly supervised by the Director of Child Development. A customized software system, Center Track, has been purchased and implemented for fiscal year 2008/2009. The family fees are being tabulated by Center Track. The information entered into this database system will ensure correct calculation of fees according to family size and family income. Center Track tabulates fees for part-time and full-time services. Center Track alerts users of any changes of enrollment, re-certification, income and family fees.

To ensure that the correct information is entered into Center Track, the CCD Support Coordinator will verify that the file is complete by reviewing all pertinent forms. Furthermore, a signature for each file must be obtained by the Director of Child Development prior to entering the information into Center Track. An internal audit will be conducted periodically to assess family fees. Site Directors, have been instructed to obtain the documentation from parents and submit acceptable documents to the Director of Child Development. The Director of Child Development will review the pre-enrollment application, along with applicable documents, to determine if the child is eligible and all information is properly retained. Once the approval has been obtained from the Director of Child Development, the CCD Support Coordinator will enter the information into Center Track. Center Track will provide the 9600's, notice of action, family fees, food program, and immunization criteria.

Revised Standard Operating Procedures for the new system have been prepared and all childcare employees will receive appropriate training.

2008-2: Child Care Attendance Testing. We noted instances of noncompliance with regards to California Department of Education (CDE) reporting where a child was being reported in the wrong age category and another child who was reported within the wrong English Proficiency category. The errors noted above resulted in audit adjustments being recorded to the general ledger, the audited final attendance and the fiscal report for child development programs. We recommend that management establish a formal review process that will ensure proper classification of the children in the appropriate age group on the monthly 9400 reports.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

SECTION II - FINANCIAL STATEMENTS FINDINGS (continued)

Management Response: The data entered into Center Track will notify the CCD Support Coordinator when a child needs to be removed or changed into a different category according to age. To ensure compliance, the CCD Support Coordinator will visit every center as needed to compile information of the center and enter into Center Track to keep enrollments and eligibility criteria status up to date. Center Track is accessible to administrators to view but not to enter any new information unless approved by the administrator that has clearance to facilitate this.

Overall, the Center Track system is widely used in many state funded programs that help administrator's track enrollment of each center. This new data system also generates invoices to mail out to parents and notifies them of any fees due.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are neither findings nor questioned costs for Federal awards as defined in OMB Circular A-133.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings.

APPENDIX



**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

COMBINED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

COMBINED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Young Women's Christian Association
of Greater Los Angeles

We have audited the accompanying combined statement of financial position of Young Women's Christian Association of Greater Los Angeles (YWCA) (a nonprofit organization) as of June 30, 2008, and the related combined statements of activities, functional expenses, and cash flows for the year then ended. These combined financial statements are the responsibility of YWCA's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information is derived from the June 30, 2007 combined financial statements of YWCA and in our report dated October 29, 2007, we expressed an unqualified opinion on those combined financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of YWCA as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of YWCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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To the Board of Directors
Young Women's Christian Association
of Greater Los Angeles

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying schedule of expenditures of federal and nonfederal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

Green Hasson & Janks LLP

October 31, 2008
Los Angeles, California

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

COMBINED STATEMENT OF FINANCIAL POSITION
June 30, 2008
With Summarized Totals at June 30, 2007

ASSETS	2008				2007 Total
	Unrestricted		Temporarily Restricted	Total	
	General Programs	Job Corps			
Cash and Cash Equivalents	\$ 3,230,207	\$ 162,559	\$ 3,770,190	\$ 7,162,956	\$ 8,717,475
Restricted Cash	29,044	-	-	29,044	1,500,000
Receivables:					
Grants	385,882	1,372,192	-	1,758,074	2,503,460
Contributions and Other	644,214	23,275	-	667,489	393,335
Prepaid Expenses and Other Assets	167,119	205,363	-	372,482	318,234
Inventory	-	66,430	-	66,430	65,245
Property and Equipment (Net)	11,943,512	-	-	11,943,512	9,841,242
TOTAL ASSETS	\$ 16,399,978	\$ 1,829,819	\$ 3,770,190	\$ 21,999,987	\$ 23,338,991
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts Payable	\$ 837,316	\$ 392,291	\$ -	\$ 1,229,607	\$ 1,199,282
Accrued Liabilities	145,782	387,805	-	533,587	503,431
Due to/from Unrestricted Programs	(1,049,723)	1,049,723	-	-	-
Accrued Vacation Payable	204,681	-	-	204,681	205,336
Deferred Revenue	10,375,551	-	-	10,375,551	8,619,617
Gift of Credit	-	-	-	-	956,739
Due Payable	358,316	-	-	358,316	2,488,719
Other Liabilities	-	-	-	-	286,584
TOTAL LIABILITIES	10,871,923	1,829,819	-	12,701,742	14,259,708
NET ASSETS:					
Restricted	5,528,055	-	-	5,528,055	5,268,211
Temporarily Restricted	-	-	3,770,190	3,770,190	3,811,072
TOTAL NET ASSETS	5,528,055	-	3,770,190	9,298,245	9,079,283
TOTAL LIABILITIES AND NET ASSETS	\$ 16,399,978	\$ 1,829,819	\$ 3,770,190	\$ 21,999,987	\$ 23,338,991

The Accompanying Notes are an Integral Part of These Combined Financial Statements

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

COMBINED STATEMENT OF ACTIVITIES

June 30, 2008

With Summarized Totals for the Year Ended June 30, 2007

	2008					
	Unrestricted		Temporarily Restricted	Eliminations	Total	2007 Total
	General Programs	Job Corps				
REVENUE AND SUPPORT:						
Program Revenue:						
Fees and Grants from Governmental Agencies	\$ 4,827,956	\$ 20,480,240	\$ -	\$ -	\$ 25,308,196	\$ 23,507,247
Management Fees	2,492,028	-	-	(2,492,028)	-	-
Program Fees	117,869	-	-	-	117,869	130,259
Facility Rental	302,684	-	-	-	302,684	295,695
Membership Fees	17,445	-	-	-	17,445	16,240
Other Income	26,084	-	-	-	26,084	9,250
TOTAL PROGRAM REVENUE	7,784,066	20,480,240	-	(2,492,028)	25,772,278	23,958,691
Public Support:						
Contributions	203,162	-	264,479	-	467,641	380,647
Special Events (Net of Direct Donor Benefit of \$197,058)	25,527	-	-	-	25,527	164,269
Investment Income	147,410	-	58,794	-	206,204	241,499
Net Assets Released from Program Restrictions	364,155	-	(364,155)	-	-	-
TOTAL REVENUE AND PUBLIC SUPPORT	8,524,320	20,480,240	(40,882)	(2,492,028)	26,471,650	24,745,106
EXPENSES:						
Program Services:						
Job Corps Programs	-	20,480,240	-	(2,146,292)	18,333,948	17,253,389
Child Care Programs	2,809,364	-	-	(193,148)	2,616,216	2,640,340
Other Programs	2,673,275	-	-	(152,588)	2,520,687	1,499,342
TOTAL PROGRAM SERVICES	5,482,639	20,480,240	-	(2,492,028)	23,470,851	21,393,071
Support Services:						
Management and General	2,421,709	-	-	-	2,421,709	2,354,763
Raising	360,128	-	-	-	360,128	429,110
SUPPORT SERVICES	2,781,837	-	-	-	2,781,837	2,783,873
TOTAL EXPENSES	8,264,476	20,480,240	-	(2,492,028)	26,252,688	24,176,944
CHANGE IN NET ASSETS	259,844	-	(40,882)	-	218,962	568,162
Assets - Beginning Year	5,268,211	-	3,811,072	-	9,079,283	8,511,121
ASSETS - END OF YEAR	\$ 5,528,055	\$ -	\$ 3,770,190	\$ -	\$ 9,298,245	\$ 9,079,283

The Accompanying Notes are an Integral Part of These Combined Financial Statements

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2008

With Summarized Totals for the Year Ended June 30, 2007

	Program Services				Support Services		Total Support Services		Total Expenses	
	Job Corps Programs	Child Care Programs	All Other Programs	Eliminations	Total Program Services	Management and General	Fundraising	Services	2008	2007
Accounting/Audit	\$ 33,264	\$ 13,298	\$ 13,086	\$ -	\$ 59,648	\$ 157,221	\$ 2,691	\$ 159,912	\$ 219,560	\$ 212,655
Camperships	-	-	35,118	-	35,118	-	-	-	35,118	23,485
Conferences	5,986	18,947	73,761	-	98,694	43,638	2,803	46,441	145,135	72,749
Consultants	344,649	46,872	292,894	-	684,415	151,734	55,658	207,392	891,807	868,589
Custodial Services	469,931	16,811	-	-	486,742	544	-	544	487,286	544,828
Dues and Subscriptions	5,475	1,081	2,820	-	9,376	35,797	6,074	41,871	51,247	35,237
Insurance	157,342	42,062	18,125	-	217,529	50,723	-	50,723	268,252	263,610
Interest and Loan Fees	-	-	-	-	-	33,659	-	33,659	33,659	84,334
Legal	(3,218)	-	-	-	(3,218)	48,822	-	48,822	45,604	26,204
Miscellaneous	78,974	4,782	11,618	-	95,374	72,585	7,907	80,492	175,866	140,468
National Association Fee	-	-	-	-	-	30,000	-	30,000	30,000	30,590
Office Supplies	586,865	10,158	13,616	-	610,639	50,873	-	50,873	661,512	597,962
Other Supplies	54,034	24,028	2,285	-	80,347	2,647	-	2,647	82,994	82,764
Postage	24,073	681	971	-	25,725	9,770	3,478	13,248	38,973	42,088
Printing	38,881	28	-	-	38,909	5,558	18,415	23,973	62,882	40,704
Program and Grant Expenses	5,702,926	348,539	965,217	(2,492,028)	4,524,654	2,975	2,325	5,300	4,529,954	3,200,434
Rent	114,309	357,996	141,790	-	614,095	145,332	-	145,332	759,427	760,060
Repairs and Maintenance	125,607	9,552	3,289	-	138,448	67,422	235	67,657	206,105	347,406
Salaries and Benefits	11,757,906	1,834,193	1,054,163	-	14,646,262	1,253,943	252,660	1,506,603	16,152,865	15,444,901
Taxes and Licenses	-	6,107	-	-	6,107	7,942	-	7,942	14,049	12,069
Telephone	291,448	24,793	24,907	-	341,148	42,205	2,379	44,584	385,732	392,561
Travel and Transportation	3,367	17,586	16,738	-	37,691	77,672	4,345	82,017	119,708	142,620
Utilities	561,301	31,850	2,877	-	596,028	1,084	-	1,084	597,112	530,605
Vehicle Costs	127,120	-	-	-	127,120	-	-	-	127,120	96,980
TOTAL EXPENSES BEFORE DEPRECIATION	20,480,240	2,809,364	2,673,275	(2,492,028)	23,470,851	2,292,146	358,970	2,651,116	26,121,967	23,993,903
Depreciation	-	-	-	-	-	129,563	1,158	130,721	130,721	183,041
TOTAL 2008 FUNCTIONAL EXPENSES	\$ 20,480,240	\$ 2,809,364	\$ 2,673,275	\$ (2,492,028)	\$ 23,470,851	\$ 2,421,709	\$ 360,128	\$ 2,781,837	\$ 26,252,688	
TOTAL 2007 FUNCTIONAL EXPENSES	\$ 19,172,241	\$ 2,840,565	\$ 1,643,340	\$ (2,263,075)	\$ 21,393,071	\$ 2,354,763	\$ 429,110	\$ 2,783,873		\$ 24,176,944

The Accompanying Notes are an Integral Part of These Combined Financial Statements

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

COMBINED STATEMENT OF CASH FLOWS

Year Ended June 30, 2008

With Summarized Totals for the Year Ended June 30, 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 218,962	\$ 568,162
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	130,721	183,041
Loss on Disposal of Property and Equipment	-	103,432
(Increase) Decrease in:		-
Grants Receivable	745,386	(643,078)
Contribution and Other Receivables	(274,154)	(283,034)
Prepaid Expenses and Other Assets	(54,248)	313,633
Inventory	(1,185)	722
Increase (Decrease) in:		
Accounts Payable	30,325	405,446
Accrued Liabilities	30,156	(426,700)
Accrued Vacation Payable	(655)	12,582
Deferred Revenue	1,755,934	4,587,234
Other Liabilities	(286,584)	(27,083)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,294,658	4,794,357
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in Restricted Cash	1,470,956	-
Interest Capitalized into Property and Equipment	(78,750)	(184,625)
Purchase of Property and Equipment	(2,154,241)	(1,832,248)
NET CASH USED IN INVESTING ACTIVITIES	(762,035)	(2,016,873)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Net Decrease in Line of Credit	(956,739)	(61,870)
Principal Payments on Note Payable	(2,130,403)	(30,780)
NET CASH USED IN FINANCING ACTIVITIES	(3,087,142)	(92,650)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,554,519)	2,684,834
Cash and Cash Equivalents - Beginning of Year	8,717,475	6,032,641
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,162,956</u>	<u>\$ 8,717,475</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid During the Year for Interest (Net of Amount Capitalized into Property and Equipment of \$78,750 in 2008 and \$184,625 in 2007)	\$ 33,659	\$ 73,791

The Accompanying Notes are an Integral Part of These Combined Financial Statements

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - NATURE OF ORGANIZATION

"The Young Women's Christian Association of the United States of America is a women's membership movement nourished by its roots in the Christian faith and sustained by the richness of many beliefs and values. Strengthened by diversity, the Association draws together members who strive to create opportunities for women's growth, leadership and power in order to attain a common vision: peace, justice, freedom and dignity for all people."

Founded in 1894, Young Women's Christian Association of Greater Los Angeles (YWCA) is a women's membership movement built on the mission of eliminating racism and empowering women. Annually, YWCA benefits over 80,000 individuals through various programs including affordable child-care, after-school youth programs, the Los Angeles Job Corps, and Sexual Assault Crisis Services. Racial justice and efforts in public policy are interwoven through all aspects of programs and service areas.

Key programs of YWCA are as follows:

Job Corps. Administered by the U.S. Department of Labor and operated locally by YWCA, Job Corps is one of the nation's largest and most comprehensive residential education and job training programs for at-risk youth, ages 16 through 24. The average Los Angeles Job Corps enrollee is 20 years old and has not completed high school. The Los Angeles Job Corps Center (LAJCC) annually serves more than 1,300 Los Angeles area youth. LAJCC students are a part of Los Angeles' 94,000 young adults who are out of school and unemployed. LAJCC specializes in serving Los Angeles' neediest youth: high school drop-outs, foster and homeless youth, youthful offenders, and recent immigrants. No other agency provides a wide array of all-inclusive services to meet the multi-dimensional need of Los Angeles' youth such as LAJCC.

Child Development. The overall goal of YWCA's Child Development Program is to provide a safe, nurturing, and learning environment in which children can flourish while enabling their families to increase their capacity towards self-sufficiency. YWCA does this by providing a developmentally appropriate, culturally diverse program which addresses all phases of a child's development - social, emotional, cognitive, and physical. Families are involved in all phases of their child's educational progress through planning, implementation, and evaluation. This service is offered as affordable and often free to those in need.

After-School Programs. With all of the chaos children face these days, it is important that they know there is a place they can go outside of their home to find guidance and support. YWCA's after-school program provides a safe haven for youth during those off hours when school is out. By cultivating their educational, cultural, and social development, YWCA supplies young people with the tools necessary for becoming healthy, happy, and productive adults.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - NATURE OF ORGANIZATION (continued)

Sexual Assault Crisis Services. Since 1985, Sexual Assault Crisis Services has provided crisis intervention and prevention services to survivors of sexual assault and their families. The program operates from YWCA's Compton program location and serves Compton, Gardena, Lynwood, Watts, and Willowbrook. The program provides the following services: 24 hour hotline; follow-up to ensure quality of service; counseling both individual and group; accompaniment to law enforcement, hospitals and court; Community and Prevention Education; Self-Defense classes; and the Clothesline Project, which allows a visualization of the trauma experienced by victims.

Involvement Opportunities.

- **Membership.** Membership in YWCA is an opportunity to become part of a worldwide women's empowerment movement. Upon joining YWCA's membership for only \$25 per year, one becomes linked to thousands of women and men who are supporting the advocacy and public policy program of YWCA.
- **Volunteerism.** YWCA volunteers are actively engaged in the support of all YWCA programs. They are an intricate part of YWCA's after-school program, Job Corps program, and the sexual assault crisis program, which creates an inevitable linkage to the community. To some of YWCA's service recipients, YWCA volunteers are the first contact when women are reported victims of sexual assault. YWCA volunteers also provide a range of assistance in professional and clerical capacities.
- **Events.** Various events allow businesses and individuals to support YWCA and the programs offered. These elegant occasions are also a time of networking and socializing with other individuals of similar interests. The following events occur annually:
 - Phenomenal Women Awards Luncheon
 - Benefactrix Ball
 - Financial Seminars
 - Mother and Daughter Workshops
- **Giving Program.** Whether through the major donor circle, Society of Benefactrix, or corporate and planned giving, many opportunities exist for individuals and businesses to give to YWCA and thus promote the bold mission "eliminating racism, empowering women."

YWCA Greater Los Angeles Development Corporation. In November 2003, the YWCA Greater Los Angeles Development Corporation (Development Corporation) was formed. This entity, a nonprofit public benefit corporation, is organized for the purpose of acquiring, developing, constructing, remodeling, and maintaining facilities that can be used for a variety of purposes including but not limited to education and affordable housing. It is organized exclusively to engage in charitable and educational activities. The Development Corporation is controlled by YWCA.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF COMBINATION

The combined financial statements include the accounts of YWCA and the Development Corporation. All inter-company balances and transactions have been eliminated on combination.

(b) BASIS OF PRESENTATION

The accompanying combined financial statements have been prepared on the accrual basis of accounting.

(c) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of YWCA are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- **Temporarily Restricted.** YWCA reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from program or capital restrictions. At June 30, 2008, YWCA has \$3,770,190 in temporarily restricted net assets.
- **Permanently Restricted.** These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit YWCA to expend all of the income (or other economic benefits) derived from the donated assets. At June 30, 2008, YWCA does not have any permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) CASH AND CASH EQUIVALENTS

For combined financial statement purposes, YWCA considers all highly liquid investments with an initial maturity of less than three months to be cash and cash equivalents.

YWCA maintains its cash and cash equivalents in bank deposit and money market accounts which, at times, may exceed federally insured limits.

YWCA maintains a separate cash account for its General Child Care program in accordance with California Department of Education (CDE) requirements. The balance in this account totaled \$29,044 at June 30, 2008.

(e) RECEIVABLES

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents the estimated net realizable value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectibility of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. The receivables are from governmental agencies and, therefore, no allowance for doubtful accounts was deemed necessary.

(f) CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional contributions, including grants recorded at estimated net realizable value, are recognized as revenues in the period received. YWCA reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. At June 30, 2008, YWCA considers contributions and grants receivable to be fully collectible; therefore, no allowance for doubtful accounts has been established.

(g) INVENTORY

Inventory consists of administrative supplies used by YWCA's Job Corps program, which is funded by a grant from the U.S. Department of Labor. Inventory is valued at lower of cost (first-in, first-out) or market.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost if purchased, or if donated, at fair value at the date of donation. Acquisition of property and equipment in excess of \$1,000 is capitalized. Depreciation of buildings and equipment is computed on the straight-line basis over the estimated useful lives of assets ranging from three to forty years.

The cost of maintenance and repairs is charged to operations as incurred while renewals and betterments are capitalized.

Pre-construction costs directly identifiable with the Urban Campus and Union Pacific Family Development Center are capitalized (See Note 5). These costs are not depreciated until such time that the developments are substantially complete and ready for their intended use.

(i) LONG-LIVED ASSETS

YWCA evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated value. No impairment losses have been recognized during the year ended June 30, 2008.

(j) REVENUE RECOGNITION

Governmental agency revenues are derived from contracts with various governmental agencies. Most of the contracts are on a cost reimbursement basis. Contract revenues are recognized when all required expenditures are incurred in accordance with the contract terms. Revenues received in advance of earnings recognition are deferred.

Management fees are received for the administration and management of YWCA's various government funded programs. Management fees are recognized when earned.

Membership fees are recognized as revenue in the period they are received.

Conditional grants are deferred until the time the condition is met (See Note 6).

Rental income is recognized when earned.

Sale-leaseback arrangement is accounted for by the deposit method. The gain on this arrangement is deferred until YWCA's continuing involvement ceases (See Note 6).

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) CONCENTRATION

During the year ended June 30, 2008, YWCA earned \$20,480,240 (77% of total revenue and public support) from its Job Corps program. The revenue is earned under a program administered by the Department of Labor. YWCA anticipates that it will continue to run this program. There can be no assurance that YWCA will be able to obtain future grant agreements upon the expiration of the current term of the contract.

(l) DONATED SERVICES

YWCA receives a substantial benefit from the services of volunteers. However, no amount has been recorded for donated services in as much as the services did not create or enhance non-financial assets and would typically not be purchased if not provided by donation. The contract with the Office of Emergency Services mandates that YWCA is required to track and report all volunteer hours as they relate to the Sexual Assault Program.

(m) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing YWCA's various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited by a method that best measures the relative degree of benefit. YWCA uses the multiple allocation base method to allocate indirect costs. Allocations are based on a percentage of their assigned full time equivalents (FTE) and/or assigned square footage.

(n) INCOME TAXES

YWCA is a tax-exempt organization (other than a private foundation) under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Income from certain activities not directly related to YWCA's tax exempt purpose is subject to taxation as unrelated business income. The Development Corporation filed an application with Internal Revenue Service (IRS) to be exempted under Section 501(c)(4) of the Internal Revenue Code.

(o) USE OF ESTIMATES

In preparing combined financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses, including allocations to various program costs, during the reporting period. Actual results could differ from those estimates.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) RECLASSIFICATIONS

For comparability, the June 30, 2007 amounts have been reclassified, where appropriate, to conform with the combined financial statement presentation used at June 30, 2008.

(q) COMPARATIVE TOTALS

The combined financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with YWCA's combined financial statements for the year ended June 30, 2007 from which the summarized information was derived.

(r) RECENT ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement 109." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken, or expected to be taken, on a tax return. FIN 48 was initially effective for fiscal years beginning after December 15, 2006. The implementation date for non-public corporations for FIN 48 has been delayed and is now effective for fiscal years beginning after December 15, 2008. If there are changes in net assets as a result of the application of FIN 48, these will be accounted for as an adjustment to net assets. YWCA expects to adopt FIN 48 effective July 1, 2009 and has not currently determined the impact of FIN 48 on the accompanying combined financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal periods beginning after November 15, 2007 and interim periods within those fiscal years. YWCA expects to adopt SFAS No. 157 effective July 1, 2008 and has not currently determined the impact of SFAS No. 157 on the accompanying combined financial statements.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 3 - GRANTS RECEIVABLE

Grants receivable at June 30, 2008 consist of the following:

U.S. Department of Labor	\$ 1,372,192
Los Angeles Unified School District - Beyond the Bell	137,073
State of California - Office of Emergency Services	95,842
City of Los Angeles - LA Bridges	92,474
State of California - Department of Public Health	28,268
California Endowment	25,000
AIDS Health Care Foundation	7,225
<i>TOTAL GRANTS RECEIVABLE</i>	<u>\$ 1,758,074</u>

NOTE 4 – CONTRIBUTIONS AND OTHER RECEIVABLES

Contributions and other receivables at June 30, 2008 consist of the following:

Accounts Receivable	\$ 571,932
Contributions Receivable	93,157
Membership Receivable	2,400
<i>TOTAL CONTRIBUTIONS AND OTHER RECEIVABLES</i>	<u>\$ 667,489</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2008 consist of the following:

Land	\$ 3,882,503
Building and Improvements	2,377,851
Pre-Construction Costs	7,036,919
Leasehold Improvements	17,415
Vehicles	37,118
Office Equipment and Furniture	319,981
Computer Equipment and Software	441,725
<i>TOTAL</i>	14,113,512
Less: Accumulated Depreciation	<u>(2,170,000)</u>
<i>PROPERTY AND EQUIPMENT (NET)</i>	<u>\$11,943,512</u>

Depreciation expense for the year ended June 30, 2008 amounted to \$130,721.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - PROPERTY AND EQUIPMENT (continued)

YWCA is in the process of building the Urban Campus. The estimated cost of construction is \$70,000,000. As of June 30, 2008, \$5,890,793 has been expended. The remaining cost to complete the Urban Campus is estimated at \$64,000,000. Funds to build the Urban Campus are provided by grants and contributions.

YWCA is in the process of building the Union Pacific Family Development Center. The estimated cost of construction is \$7,700,000. As of June 30, 2008, \$1,146,126 has been expended. The remaining cost to complete the Union Pacific Family Development Center is estimated at \$6,600,000. Funds to build the Union Pacific Family Development Center are provided by grants and contributions.

NOTE 6 - DEFERRED REVENUE

Deferred revenue at June 30, 2008 consists of the following:

Conditional Grants:	
Community Redevelopment Agency	\$ 2,000,000
Corporation	<u>8,000,000</u>
<i>TOTAL CONDITIONAL GRANTS</i>	10,000,000
Deferred Gain on Sale-Leaseback	
Arrangement	348,399
Unearned Revenues	<u>27,152</u>
<i>TOTAL DEFERRED REVENUE</i>	<u>\$ 10,375,551</u>

YWCA has received grants from the Community Redevelopment Agency and a corporation which are conditional on the construction of the Urban Campus.

In January 2008, YWCA entered into a sale-leaseback arrangement with one of its facilities. The sale-leaseback is accounted for by the deposit method. The deposit method requires the related property to remain on the seller-lessee's combined statement of financial position and requires the seller-lessee to continue to depreciate the property. As part of the arrangement, YWCA is carrying a \$910,000 note receivable, which is not included in the accompanying combined statement of financial position as determined by the deposit method. The note is secured by the related property, payable in monthly installments of \$10,566 including interest of 7% and due January 2018. YWCA entered into a three year leaseback where the rent payment shall be paid in the form of an offset against the monthly payment due on the note described above. The gain realized on this transaction has been deferred until YWCA's continuing involvement ceases. For the year ended June 30, 2008, \$348,399 of the gain has been recorded as deferred revenue.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 7 - LINE OF CREDIT

YWCA currently has a line of credit with a bank providing for maximum borrowings of \$2,500,000. Interest is payable monthly at YWCA's option of the London interbank offered rate (LIBOR) plus 1.5%, or 0.5% less than the bank's reference rate. The line of credit expires in June 2009.

At June 30, 2008, there was no outstanding balance on the line of credit.

LIBOR ranged from 2.47% to 3.42% at June 30, 2008. The bank's reference rate at June 30, 2008 was 5.00%.

NOTE 8 - NOTE PAYABLE

Note payable at June 30, 2008 consists of the following:

Note Payable - Bank, Secured by Deed of Trust on Land and Building in Compton, California, Payable in Monthly Installments of \$4,564 Including Interest at 6.5% Per Annum, Due January 2017 \$ 358,316

The future maturity of the note payable as of June 30, 2008 is as follows:

Year Ending June 30

2009	\$	32,239
2010		34,399
2011		36,702
2012		38,621
2013		41,930
Thereafter		<u>174,425</u>
TOTAL	\$	<u>358,316</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2008 are primarily available for sponsored programs and consist of the following:

Mary Andrews Clark Fund	\$ 2,869,420
California Endowment - Urban Campus Project	525,000
Laura S. Wiltz, Ph.D. Fund	61,680
Other	<u>314,090</u>
<i>TOTAL TEMPORARILY RESTRICTED NET ASSETS</i>	<u>\$ 3,770,190</u>

In 2008, net assets were released from restriction by incurring expenditures in accordance with the purpose restrictions stipulated by the donor totaling \$364,155.

The Mary Andrews Clark Fund was established in November 1990 from the sale of a residence operated by YWCA under a trust agreement. The net proceeds from the sale were segregated in YWCA's accounting records. The principal and interest income from these funds are donor restricted and must be used to support and improve the position of working women in the Los Angeles area. During the year ended June 30, 2008, an aggregate balance of interest income, realized and unrealized gain of \$57,618 was recorded under temporarily restricted net assets. Interest income supported programs in the areas of parenting child development, racial justice and women's issues.

NOTE 10 - FEES AND GRANTS FROM GOVERNMENTAL AGENCIES

For the year ended June 30, 2008, fees and grants from government agencies consist of the following:

Department of Labor - Job Corps Program	\$20,480,240
California Department of Education:	
General Child Care	2,093,346
Child Care Food Program	231,809
CCTR Center Child Care	192,761
Infant-Toddler Resource	3,704
Instructional Materials	3,464
Facilities Renovation and Repair	2,898
Los Angeles Unified School District (LAUSD) -	
Before and After School Learning	
Beyond the Bell Program	1,521,926
Office of Emergency Services and	
Department of Health Services - Sexual Assault Crisis Program	298,416

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008**

NOTE 10 - FEES AND GRANTS FROM GOVERNMENTAL AGENCIES (continued)

City of Los Angeles - LA Bridges	\$ 291,198
County of Los Angeles Community Development Commission	101,938
Los Angeles Universal Pre-School	47,003
Sexual Assault Crisis Program - In-Kind Match	<u>39,493</u>
<i>TOTAL FEES AND GRANTS FROM GOVERNMENTAL AGENCIES</i>	<u>\$25,308,196</u>

NOTE 11 - MANAGEMENT FEES

YWCA received fees for the administration and management of its various government funded programs. For the year ended June 30, 2008, management fees consist of the following:

Department of Labor - Job Corps Program:	
Administration and Overhead:	
Reimbursement	\$ 1,415,568
Incentive Fee	368,726
Contract Fee	361,998
California Department of Education	189,666
LAUSD - Beyond the Bell	109,236
City of Los Angeles - LA Bridges	20,296
Office of Emergency Services	19,477
Department of Public Health	2,872
LA Universal Preschool	3,482
AIDS Health Care Foundation	<u>707</u>
<i>TOTAL MANAGEMENT FEES</i>	<u>\$ 2,492,028</u>

In addition, YWCA received \$286,500 of rental income for the year ended June 30, 2008 directly from the U.S. Department of Labor in accordance with the terms of their rental agreement. The rent received from the Department of Labor is included in facility rental income and is not eliminated in the combined statement of activities. YWCA also received \$481,197 of rental income from other government agencies for the year ended June 30, 2008.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 12 - EMPLOYEE BENEFIT PLANS

(a) YWCA RETIREMENT FUND

The Young Women's Christian Association of Greater Los Angeles Retirement Fund, Inc. is an employer-sponsored, cash balance, defined contribution plan open to all permanent employees working a minimum of 20 hours per week. Subsequent to September 1, 1989, the required term of employment to join the plan became twenty-four months. The retirement plan is mandated for all YWCA staff. An employee who was an active member of the plan on or after September 1, 1990, was automatically and immediately 100% vested in all contributions. Effective September 1, 1992, the plan changed to a pre-tax basis for voluntary contributions.

For the year ended June 30, 2008, YWCA contributed \$247,008 to the retirement fund based upon a predetermined contribution level.

(b) JOB CORPS SAVINGS PLAN

The Job Corps Savings Plan (the Savings Plan) is a defined contribution plan open to all employees working a minimum of twenty hours per week and whose term of employment exceeds one year. Employees are eligible and are automatically enrolled in the plan after twelve months of continuous employment. The Savings Plan is funded by employer contributions of 5% of gross wages for nonprofessional and professional staff. The Savings Plan is administered by TIAA-CREF (Western). Employees do not contribute to the plan. Contributions made from Job Corps program funds totaled \$359,412 for the year ended June 30, 2008.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

(a) OPERATING LEASES

YWCA leases facilities for its corporate headquarters and one program location under a non-cancelable operating lease. YWCA also leases certain equipment under various non-cancelable operating leases. These leases expire between December 2008 and February 2013. In addition, YWCA leased two sites for its Job Corps Programs. The Job Corps leases are renewable each contract year. Other rental costs were incurred for various other program sites throughout the year on a month-to-month basis.

Total rent expense incurred from these operating leases for the year ended June 30, 2008 totaled \$394,487.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)

(a) OPERATING LEASES (continued)

Future minimum lease payments are as follows:

Years Ending June 30	
2009	\$ 462,429
2010	352,456
2011	111,829
2012	22,232
2013	10,666
TOTAL	\$ 959,612

(b) GOVERNMENT GRANTS

Financial assistance from federal, state and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against YWCA for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits.

(c) ACCRUED VACATION OF JOB CORPS CENTER EMPLOYEES

Accrued vacation payable for the year ended June 30, 2008 totaled \$204,681. This amount represents vacations earned by employees which have not been taken. Vacation time is paid in cash only when employment is terminated. The accrual does not include YWCA's Job Corps Center employees, as vacation is required under U.S. Department of Labor contract provisions to be expensed when paid. At June 30, 2008, the total vacation payable for Job Corps Center employees was \$756,108. Under the contract provisions with the U.S. Department of Labor, the Association would be fully reimbursed for the entire vacation payable liability for these employees.

(d) PCL CONSTRUCTION CONTRACT

In December 2003, YWCA signed a contract with PCL Construction Services, Inc. (PCL) to provide construction services for the Urban Campus. The contract does not contain a specified price. YWCA and PCL shall endeavor to agree upon the contract sum after the completion of the construction documents by the architect. The contract sum shall include amounts totaling 3.2% for general conditions and 3.5% for profit and overhead.

The construction documents have not yet been completed. They are slated for completion in the following fiscal year. Preliminary estimates indicate potential construction cost of \$49,000,000.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2008

NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)

(e) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, YWCA becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against YWCA which, from time to time, may have an impact on changes in net assets. YWCA does not believe that these proceedings, individually or in the aggregate, are material to the accompanying combined financial statements.

NOTE 14 - DEVELOPMENT CORPORATION

In November 2003, the YWCA of Greater Los Angeles Development Corporation (Development Corporation) was formed. This entity, a nonprofit public benefit corporation, is organized for the purpose of acquiring, development, constructing, remodeling, and maintaining facilities that can be used for a variety of purposes including but not limited to education and affordable housing. It is organized exclusively to engage in charitable and educational activities. The accounts of the Development Corporation are combined with those of the YWCA.

In November 2004, YWCA and Development Corporation executed an administration service agreement. Under this agreement, YWCA has been granted authority by the Development Corporation to transact financial matters on its behalf for a fee and reimbursement of its costs.

NOTE 15 - YOUTH EMPOWERMENT SERVICES

In February 2008, YWCA and Sullivan International, Inc. (Sullivan) formed Youth Development Services, LLC (YES). This entity, a limited liability company, is organized for the purpose of providing outreach, admissions, training, vocational programs and placement of at-risk youth through social services and co-enrollment with other social service providers in the local community so as to empower local youth with the skills needed to be productive members of society. The YWCA holds a 49% minority interest in YES. There was no activity in YES for the year ended June 30, 2008.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES**

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2008

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES

SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS

Year Ended June 30, 2008

FEDERAL AWARDS AGENCY - PROGRAM GRANT TITLE	Federal CFDA Number	Contract Number	Award Amount	Total Contract Expenditures		
				Federal	State	Other
MAJOR AWARDS U.S. DEPARTMENT OF LABOR Los Angeles Job Corps Program	17.259	J06SA0003	\$ 98,500,987	\$ 20,480,240	\$ -	\$ 20,480,240
TOTAL MAJOR AWARDS			98,500,987	20,480,240	-	20,480,240
NON-MAJOR AWARDS U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed through the County of Los Angeles Community Development Commission Union Pacific Development Center	14.218	103060	630,000	101,938	-	101,938
Total U.S. Department of Housing and Urban Development			630,000	101,938	-	101,938
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed through the State of California, Department of Education: CCTR General Child Care CCAP Infant Toddler Resource CIMS Instructional Materials CSCC School Age Resource Passed through the Aids Healthcare Foundation Saving Our Sisters	93.596 93.575 93.575 93.575 93.137	CCTR-7206 CCAP-7203 CIMS-7225 CSCC-7141 SOS-YWCA	192,761 3,704 3,464 2,000 10,000	192,761 3,704 3,464 - 7,225	- - - - -	192,761 3,704 3,464 - 7,225
Total U.S. Department of Health and Human Services			211,929	207,154	-	207,154
U.S. DEPARTMENT OF EDUCATION Passed through the State of California, Department of Education: LAUSD After School and Safety Program LAUSD After School and Safety Program LAUSD After School and Safety Program	84.287 84.287 84.287	301347 500168 500754	3,488,727 143,976 123,120	278,975 25,043 32,575	- - -	278,975 25,043 32,575
Total U.S. Department of Education			3,755,823	336,593	-	336,593
U.S. DEPARTMENT OF AGRICULTURE Passed through the State of California, Department of Education: Child Care Food Program	10.558	19-1334-1A	240,000	216,430	15,379	231,809
Total U.S. Department of Agriculture			240,000	216,430	15,379	231,809

See Independent Auditors' Report

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES

SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS

Year Ended June 30, 2008

FEDERAL AWARDS AGENCY - PROGRAM GRANT TITLE	Federal CFDA Number	Contract Number	Award Amount	Total Contract Expenditures		Total
				Federal	State	
SELECTED STATE:						
Department of Education						
General Child Care						
LAUSD After School and Safety Program	N/A	CCTR-7206	2,492,697	-	2,093,346	- 2,093,346
LAUSD After School and Safety Program	N/A	600121	2,188,740	-	635,433	- 635,433
LAUSD After School and Safety Program	N/A	301347	1,038,705	-	447,539	- 447,539
LAUSD After School and Safety Program	N/A	500168	500,026	-	72,008	- 72,008
LAUSD After School and Safety Program	N/A	500754	41,040	-	30,353	- 30,353
Facilities Renovation and Repair	N/A	CRPM-6074	47,500	-	2,898	- 2,898
<i>Total California Department of Education</i>			6,308,708	-	3,281,577	- 3,281,577
Office of Emergency Services						
Sexual Assault Crisis Program	16.575	RC06221123	232,040	157,893	74,060	- 231,953
Sexual Assault Crisis Program-In Kind Match	N/A	RC06221123	39,493	-	-	39,493 39,493
<i>Total Office of Emergency Services</i>			271,533	157,893	74,060	39,493 271,446
Department of Health Services						
Department of Health Services	N/A	05-45645	85,995	-	59,238	- 59,238
<i>Total Department of Health Services</i>			85,995	-	59,238	- 59,238
OTHER:						
CITY OF LOS ANGELES						
LA Bridges	N/A	100366				
Including payments passed through subcontractors						
Project Pacemakers - \$11,145			351,597	-	-	291,198 291,198
LAPD Jeopardy - \$6,602			351,597	-	-	291,198 291,198
<i>Total City of Los Angeles</i>			45,088	-	-	47,003 47,003
Los Angeles Universal Preschool						
Los Angeles Universal Preschool	N/A	1830111100	45,088	-	-	47,003 47,003
<i>Total Los Angeles Universal Preschool</i>			45,088	-	-	47,003 47,003
<i>TOTAL NON-MAJOR AWARDS</i>			11,900,673	1,020,008	3,430,254	377,694 4,827,956
<i>TOTAL AWARDS</i>			\$110,401,660	\$21,500,248	\$ 3,430,254	\$ 377,694 \$25,308,196

See Independent Auditors' Report